

# FOREIGN POLICY BULLETIN

*An analysis of current international events*



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## ***What Are Americans Thinking About Foreign Policy?***

Anyone who travels about the United States this autumn becomes promptly aware of three main characteristics of public opinion as expressed in forum discussions—the modern form of cracker-barrel gatherings. These are: 1) the prevailing apathy among citizens about the election campaigning of the two principal Presidential candidates; 2) anxiety concerning the twin problems of a possible “bust” at home and war abroad; and 3) a strong undertow of worry as to whether the American people are getting “the facts” on foreign policy.

### ***Voters' Apathy***

The general apathy about candidates and issues, widely noted by newspaper reporters who have traveled aboard the Truman and Dewey trains, is causing concern among the better-informed groups of the population, who fear that this state of mind, taken in conjunction with a decline in voters' registration, may prove symptomatic of declining interest in the processes of democracy. Others, however, contend the public's indifference is due to the belief that the outcome of the November elections is a foregone conclusion, and that the Democrats and Republicans are not actually very far apart in their domestic and foreign policy programs—a point stressed, from another angle, by Henry Wallace. Interest is expressed, however, about three questions. Will Thomas E. Dewey, if elected, be able to hold in leash such Republicans as Charles A. Halleck of Indiana and Wayland C. Brooks of Illinois, who have consistently voted against international co-operation? How will a Re-

publican administration reconcile proposals for tax and budget cuts with Mr. Dewey's broad suggestions for a European union, presumably bolstered by additional American expenditures on armaments, and for increased aid to China? To what extent will opposition to Russia cause the United States, under the leadership of either party, to become associated with governments in Europe, Asia and Latin America which, in the opinion of many Americans, are no more democratic by Western standards than the U.S.S.R.?

### ***Will There Be War?***

The principal question asked of anyone lecturing on world affairs at this critical moment is whether war is around the corner. It is always dangerous to generalize, but on the whole the public seems more calm and collected about the issues at stake in Berlin and Paris than one would surmise from the stridency of newspaper headlines. The view prevails that neither the United States nor Russia wants war. It is feared, however, that events may have gone so far that a clash may prove unavoidable. In this connection, much concern is expressed about what is regarded as undue influence of the military over the making of American foreign policy. The hope is voiced that a new Administration, whatever its composition, will firmly assert civilian control over this country's external relations.

There is relatively little sentiment for any step that might be interpreted as “appeasement” of Russia. But there is strong sentiment, especially among former members of the armed forces who have seen

conditions abroad at firsthand, and are now studying at colleges and universities or have returned to their peacetime occupations, that fear of Russia should not cause the United States to “appease” General Franco, Perón, or Chiang Kai-shek. Particularly vigorous doubts are expressed by men and women in this category, who will soon have much to say about the country's affairs, concerning the wisdom of what they consider as a dangerous tendency on the part of the American Military Government in Germany to show an undue leniency toward German leaders in business and industry—former pillars of the Nazi regime—in an effort to rebuild the German economy.

Closely linked to the question about war is the almost equally anxious attempt to discover whether the country is threatened by another depression. In this connection, forum discussions reveal a striking lack of understanding about the processes of foreign trade, the distinctions between Russian communism and the programs of Western European Socialists, and the economic problems of underdeveloped countries. By contrast, the idea that the United States must work through the UN, even if this means a whittling down of national sovereignty, is accepted to an extent which would appear incredible to the isolationists of the 1920's.

### ***Do We Know the Facts?***

To a degree not so noticeable until this year men and women are worried by the thought that they are not getting “the facts” about critical world issues on which they are then called to make crucial de-

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cisions by accepting military and economic aid programs drawn up in Washington. The reiteration of dramatic appeals to stave off impending catastrophes, such as President Truman's statements of March 1947 about aid to Greece and Turkey and of March 1948 for assistance to Western Europe, have created a skeptical "wolf, wolf!" attitude; and there is a growing feeling, dangerous in a democracy, that world affairs are so complicated that the citizen has no way of making up his mind on controversial issues.

How can this situation be remedied? The public does not want mere government handouts. It has become suspicious of any kind of propaganda. Informed groups of the population, however, stress the need for more balanced presentation of news and commentary through the

press and radio. Increasing concern is expressed about the fact that in many communities the local newspaper (or both newspapers, if there are two) and the local radio station are under the same ownership, and that the owners frequently are not local men, but publishers located in the state capital, or owners of newspaper chains. The point is often made in public forums that the use of press services and syndicated columns gives the press a uniformity of views which is not genuinely representative of public opinion, and which could be avoided if a wider range of ownership and editorial expression could be achieved, possibly through the introduction of more competitive methods. To what extent, it is often asked, do most of the country's newspapers reflect the views and opinions of labor, of

school teachers and university professors, of farmers, of veterans struggling with housing problems as they try to make ends meet in trailer camps around the big universities, and of women who in spite of many obstacles seek to keep voters informed about current issues on a nonpartisan basis, such as the League of Women Voters? These questions express the deep-seated desire of countless citizens to break through what now seems a wall between the people and the government, and to participate more fully than has hitherto proved possible in the making of foreign policy which, it is now recognized, is for everyone a matter of life and death.

VERA MICHELES DEAN

(Mrs. Dean has recently returned from visits to the West Coast and the Middle West.)

## ***West German States Draft Plans For Constitution***

Contrary to a widespread impression in the United States, the vast majority of the Germans want a constitution and a government, and they want them as soon as possible. They would have been very glad to have had a government for the past twelve months. A recent public opinion poll, reported in the *New York Times* on October 3, confirmed the fact that nearly 70 per cent of the Germans in the Western zones are now of this opinion.

### ***Aims of London Agreement***

Unfortunately, a year ago, the four Allies were too far apart to agree on a procedure for letting the Germans reconstitute themselves under a German government. After the breakdown of the London Conference of Foreign Ministers in November 1947, the situation changed. The continued refusal of the Soviet Union to acquiesce in any plans left the Western Allies no alternative but to agree upon a common program. It is significant, however, that they never conceived of this program as necessarily providing for the establishment of a "Western" German state. The Western powers have made every effort to leave the door open for reunification of the Western and Eastern zones. The recent State Department White Paper describing the Moscow discussions makes this very clear. The London agreement of May 1948\* merely authorizes the German Minister-Presidents in the Western zones to call a convention for the purpose of preparing a constitution. The

considerable hesitancy displayed by the German Minister-Presidents in July, after these plans were announced to them, was due to the fact that the German leaders did not wish, any more than the Western Allies, to make a final decision in favor of a Western German state. After they had fully understood the extent of their authority, they assumed responsibility for the development of a German constitution, and undertook to call the proposed Constitutional Convention on September 1.

Entirely inadequate attention has been given in the United States to the fact that these eleven Minister-Presidents are the elected representatives of about forty-five million Germans. In other words, they speak for approximately two-thirds of the German people. Since they acted unanimously when accepting the London agreement, it does not seem too much to say that their decisions represent the wishes of a clear majority of the German people. These decisions would not have been substantially altered by the presence of the four Minister-Presidents of the Soviet zone, representing about fifteen million Germans. Their acceptance of the London agreement was confirmed by the convention at Bonn on September 1 when they voted, sixty-five to two, to proceed with the assigned task. The two negative votes were cast by the Communist members.

### ***Preparatory Commission***

The Minister-Presidents in the Western zones, in preparing the ground for the Constitutional Convention, established a

Preparatory Commission, consisting of leading experts from the eleven states. No Allied officials were present, and work on this commission was done entirely by Germans. There were only three requirements fixed by the London agreement: 1) that there be a democratic constitution; 2) that there be a federal constitution; and 3) that there be a guarantee of civil liberties. These three principles had, in fact, been accepted by both major German parties before the London agreement. The only other stipulation was that the same majority of states required for the ratification of the constitution, namely two-thirds, should also be required for its amendment. If the constitution as prepared by the Constitutional Convention does not conflict with these general principles, "the Military Governors will authorize its submission for ratification." What this means is that acceptance of the constitutional draft is mandatory so far as the Allied Military Governments are concerned, provided it meets the London requirements.

The draft which resulted from the commission's meetings left many questions to be settled by the convention, but it also reached agreement on many matters. In this connection, it is worth noting that the constitutional draft proposed a future German political organization—the Union of German States (*Bund Deutscher Länder*). It also specifically arranged for the adherence of any other German territories, provided such territories have adopted the fundamentals of constitutional democracy, namely a system of competing parties and a guarantee of individual rights.

\*See *Foreign Policy Bulletin*, June 18, 1948.

## ***Problems of Unification***

Should this constitution have come into effect by the time an agreement has been reached with the Russians—say, in the summer of 1949—the Allies would presumably invite the government set up under the constitution to initiate negotiations with the German authorities of the four states of the Soviet zone for the purpose of arranging a procedure for reunification. Whether this would result in the inclusion of Communist (SED) members in the government cannot now be predicted. The Western Allies could hardly object, since Communists have been included in German state governments in the British and American zones right along. The real difficulties will be connected with the constitution and the form of government. But there is little doubt that all of the states in the Soviet zone would join the Union of German States within six months of the withdrawal of Soviet troops. That this would mean the end of Communist control in these states is equally certain. The effective support of communism in all of Germany has steadily declined.

It is not generally realized that the proposed broad grant of power to the Ger-

mans constitutes a solemn commitment on the part of the three Western Allies. Since the Constitutional Convention has been convened and is sitting at Bonn in the British zone, it is practically out of the question to stop the framing of a constitution and the establishment of the German government. We cannot, in good faith, withdraw an authority we have granted. The die is cast, and any future plan or negotiation with the Soviet Union concerning the reunification of Germany under quadripartite authority would have to be negotiated after consultation with the Germans.

In this connection, it is vital to understand the role played by the city of Berlin. Like Hamburg and Bremen, Berlin has today the status of a *Land* or state. With its three and three-quarter million inhabitants, Berlin is actually one of the larger states. Berlin representatives have been participating in a consultative capacity in the deliberations of the Minister-Presidents in their commission on the constitution and in the other preparatory work. Five representatives of the city of Berlin are now sitting in the Constitutional Convention at Bonn, representing the entire city, not merely the Western

sectors. These members of the Constitutional Convention have, to be sure, only a consultative voice, but this is a formal limitation only, and they are in fact fully participating in the deliberations.

The problem of the reunification of Germany is complicated by the question of what kind of Germany will be unified. The Western powers want a peaceful, constitutional and democratic Germany dominated by the moderate elements. The Soviet Union presumably wants a peaceful but Communist Germany. It is this fundamental issue which gives the struggle over Berlin such decisive significance, for Berlin has been completely recaptured for the Western concept by the Social Democratic majority. The leadership of this majority has been re-enforced and supported by Western policies and, more especially, by the Allied airlift. From Berlin emanate influences into the surrounding Soviet zone which have helped to weaken the Soviet position. This position, however, had already been undermined by Soviet policy.

CARL J. FRIEDRICH

*(The second of two articles on current conditions in Germany. Dr. Friedrich, Professor of Government at Harvard University, has just returned from Germany, where he served as adviser to the United States Military Government.)*

## ***Nanking Weakened As Urban Morale Declines***

The resumption of large-scale fighting in China during September, following a military lull, has further weakened the Nanking government. Major blows have been dealt in the North, especially in Shantung, where Tsinan, the provincial capital, fell to the Chinese Communists on September 24. Chinhsien, key supply base for the Manchurian city of Mukden, was lost in mid-October, and both Mukden and the more northerly Changchun are in an increasingly difficult position. The Communists also report successes elsewhere, as does Nanking in a portion of southern Manchuria. On balance recent operations indicate that the Communists are making considerable headway in eliminating pockets of government-held territory in Manchuria and North China. They are also strengthening themselves for possible further drives southward into the central core of Kuomintang China.

Nanking's problems were discussed publicly by President Chiang Kai-shek on October 10, when he offered an apology because his prediction last April that the Communists would be driven from areas south of the Yellow River with-

in six months has proved incorrect. Speaking on the anniversary of the republican revolution of 1911, he called the loss of Tsinan "the greatest disaster" and said that the government's failure to establish satisfactory "co-ordination" between the Army and the people "is the main reason for our defeat" in the war with the Communists. This has also been the view of many Western commentators, who attribute Nanking's weakness primarily to policies which have created a gap between the government and the people.

### ***Struggle Against Inflation***

Military setbacks have undoubtedly weakened Nanking's new currency system, although it was already facing difficulties before the recent fighting. The new Chinese dollar, valued officially at four to one United States dollar, was introduced in August, when the old currency had fallen to an official level of 8,000,000 to 1, and a black-market level of many millions more. Wages, salaries and prices were frozen, other controls were introduced, and Major General Chiang Ching-kuo, son of the Generalissimo, was charged with the enforce-

ment of the program in Shanghai. Arrests of a number of persons, including some prominent figures, for black-market activities, the execution of a few offenders, and the imprisonment of others attested to the government's determination to make the new currency work. These measures, accompanied by many radically worded statements by the younger Chiang attacking the rich, had the initial effect of rigidly checking the growth of a new Shanghai black market in foreign exchange. But before long it became clear that commodity prices were again rising.

Controls were not enforced with the same iron hand outside Shanghai. In Peiping, for example, a black-market exchange rate of six or seven to one United States dollar was reported on October 8, and prices of essential items such as wheat flour, millet, corn flour and coal were many times above the level prevailing when price controls originally went into effect. And in Shanghai itself an exchange rate of nine or ten to one had developed by October 13. This breakdown is especially significant because Nanking regards the new currency as virtually its last economic card.

## Communists' Policies

The struggle between Nanking and the Communists is, as always, not confined to the battlefield. In an effort to conciliate rural elements which had been alienated by unjust practices in the redistribution of land, the Communists announced some time ago that they would modify their methods. Moreover, while they still follow the general policy of redistribution, they have declared that in one of their newer territories—the Central Plains area—they are limiting themselves for the time being to a program of rent and interest reduction. It is apparent, also, that they have been trying to win over or neutralize China's urban population. For example, in a broadcast to besieged Tsinan on September 21, they promised to "protect the lives and property of the people of all strata in the city." More specifically, they declared that, while taking over property belonging to the Nanking government, they would carefully respect privately owned enterprise. They also asked people of all occupations to continue working as usual, and even promised "Kuomintang police and officials . . . who do not resist with arms" that "many of them will be given employment."

There are indications that this approach has had some effect in the cities held by the Central government. Chiang Kai-shek, in the speech already mentioned, alluded to this when he said that Communist propaganda about "democracy and liberty" had produced a "psychological illusion" among the people. According to private reports from Shanghai, even in well-to-do circles there are persons who, despite their strong dislike of communism, have come to feel that as a practical proposition they may be able to make their peace with the Communists, should the latter ultimately enter the city. Such sentiment appears to be still more marked in exposed Peiping.

## China and American Policy

All these developments highlight the difficulties involved in carrying out the \$400 million program (\$125 million directly military, \$275 million economic) for aid to Nanking, passed by the last Congress. Although none of the military assistance

has yet reached China, most experts doubt that this help will significantly improve the fortunes of the deteriorating Kuomintang. Politically, however, United States aid has the effect of encouraging Nanking to continue the struggle. At the same time it alienates from the United States many middle-of-the-road Chinese, who want the war to stop and who are increasingly repelled by prevailing conditions and policies in Nanking's territory.

It is evident that when Washington considers the Far Eastern situation early next year, it will face neither the China of June 1948—when the \$400 million was appropriated—nor the pre-election China of today, but something still more complex. It is too early to foretell in detail what the China policy of that time will be. But the Truman administration supports a policy of assistance, and Republican leaders, including Governor Dewey, have stated on many occasions that they would like to step up aid to Nanking. At present, however, Europe has priority over Asia in American strategy, and Japan over China. Any significant change in the aid given to Nanking might involve a shifting of priorities, a reassessment of the international situation.

LAWRENCE K. ROSINGER

(Published in co-operation with the American Institute of Pacific Relations, of which Mr. Rosinger is a staff member.)

## Branch & Affiliate Meetings

SAN FRANCISCO, October 28, Poland: *A Case Study in the "New Democracy,"*

Donald M. Castleberry

SHREVEPORT, October 29, United States of Europe, Congressman T. Hale Boggs

SAN FRANCISCO, November 4, *Prospects for Democracy in Japan*, T. A. Bisson

PHILADELPHIA, November 5, *France*, Andre Maurois

NEW YORK, November 6, *Germany*

*From the Heart of Europe*, by F. O. Matthiessen. New York, Oxford, 1948. \$3.00

An intimate journal of thoughts and impressions gathered during a lecture trip to Central Europe in the summer and fall of 1947. In his course on American literature at the Salzburg seminar, Professor Matthiessen of Harvard University attempted to interpret the main currents in American life, and developed some basic comparisons and contrasts between Europe and America. His reflections afford new insight into the rapidly changing societies he observed in his contacts with people of various strata.

## News in the Making

Renewed debate over the question of the return of Belgian King Leopold, now living in Switzerland, may, it is feared, upset the delicate balance of the present coalition government of Belgium, composed of Catholics and Socialists, and result in the defeat of Paul-Henri Spaak, Socialist Prime Minister and a key figure in the UN. The Catholics urge a popular referendum on the issue of the King's return, the Socialists (as well as the Liberals and the Communists) oppose it as unconstitutional. Should the referendum be adopted, the Socialists have threatened to withdraw from the government. The resulting crisis might play into the hands of the Communists. . . . Secretary of State Marshall's week-end visit by air to Greece to check on current conditions was made shortly after the newly appointed American Ambassador to Athens, Henry F. Grady, had stated in a press interview that there had been too much optimism both in Greece and in the United States about the present and future successes of military operations against the rebel forces. Some newspaper reports have hinted that the Greek government saw no reason to step up its efforts in fighting the guerrillas as long as the existence of guerrilla forces could be used to justify fresh requests for American funds. . . . The first conference of African colonial legislators opened in London on September 29 to consider problems of developing British colonies in Africa. Speaking for the group of native princes, religious leaders and chiefs, the Oba Anderemi, Oni of Ife, from Nigeria, asked for fairer prices for African products, more equipment and British experts, and an end to "undue delay" in development plans. . . . Italy's Foreign Minister, Count Carlo Sforza, revealed on October 13 that he had submitted to the French government a modest plan for using the Organization for European Economic Co-operation (OEEC), established by the sixteen countries recipients of Marshall plan aid, as the permanent co-ordinating body empowered to bring about eventually a federation of European states.

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